



GCI Investor Presentation

Ron Duncan

President and CEO

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Company Profile

Alaska's Largest Communication Provider:

- **Statewide facilities-based telecommunications carrier**
 - Long Distance - 45%
 - Local Access - 26%
- **Cable television (passes 90% of Alaska Households)**
 - Penetration - 64%
- **Internet service provider (ISP)**
 - High speed - 60%
- **Wireless**
 - Dobson - 20,100 subscribers
 - Alaska Digital - 24,000 subscribers



Alaska Demographics

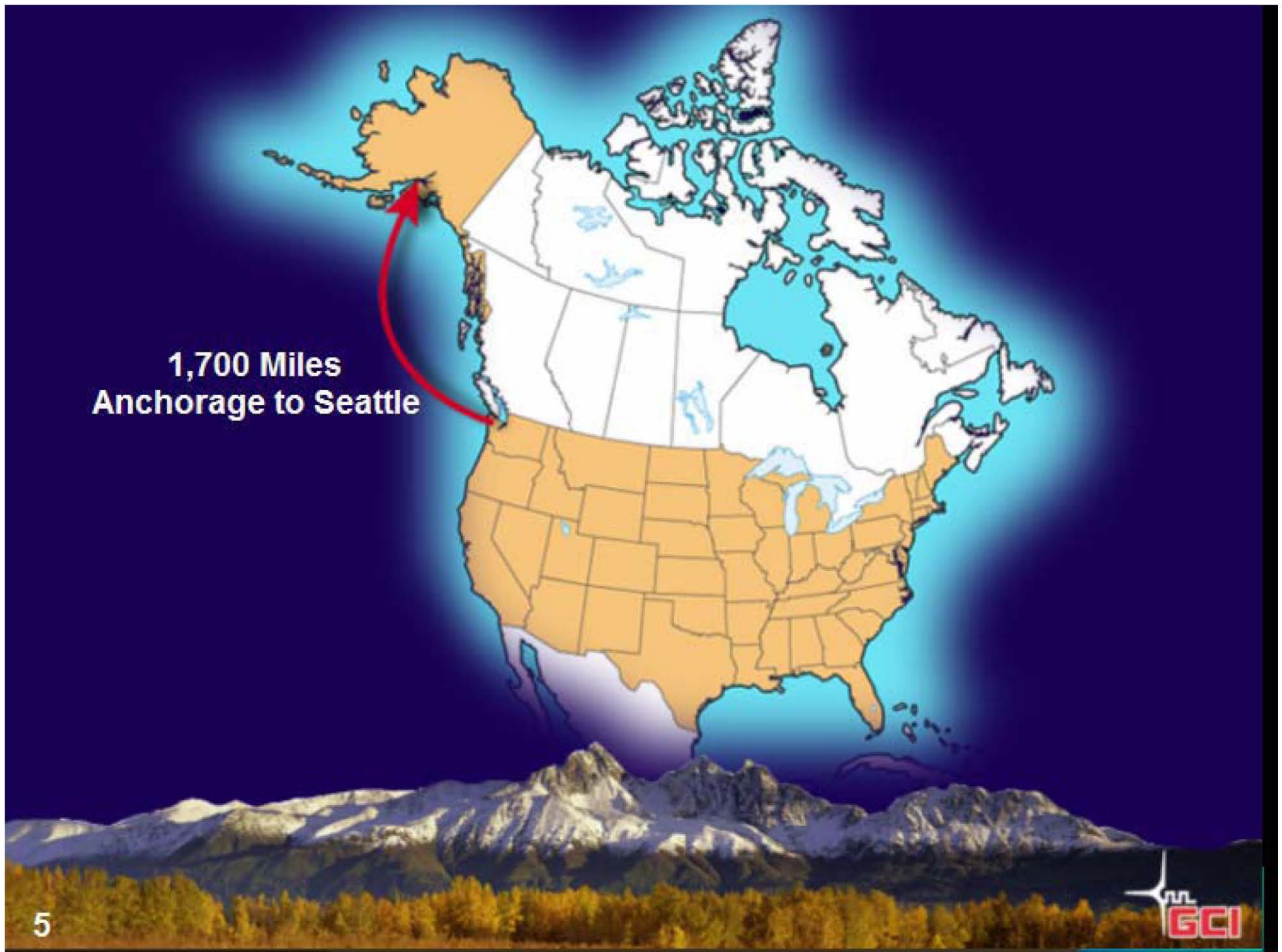
- Alaska leads the nation in disposable household income – \$55,412 vs. \$43,052
- Alaska Permanent Fund - Largest source of income for the state. Distributes more than \$1 B annually to Alaskans from a fund valued at about \$35.0 B.
- Government spending in Alaska up 20% year over year
- Potential Capital Projects -
 - Construction of a natural gas pipeline
 - Additional resource development



Ideally Situated Near Cabo



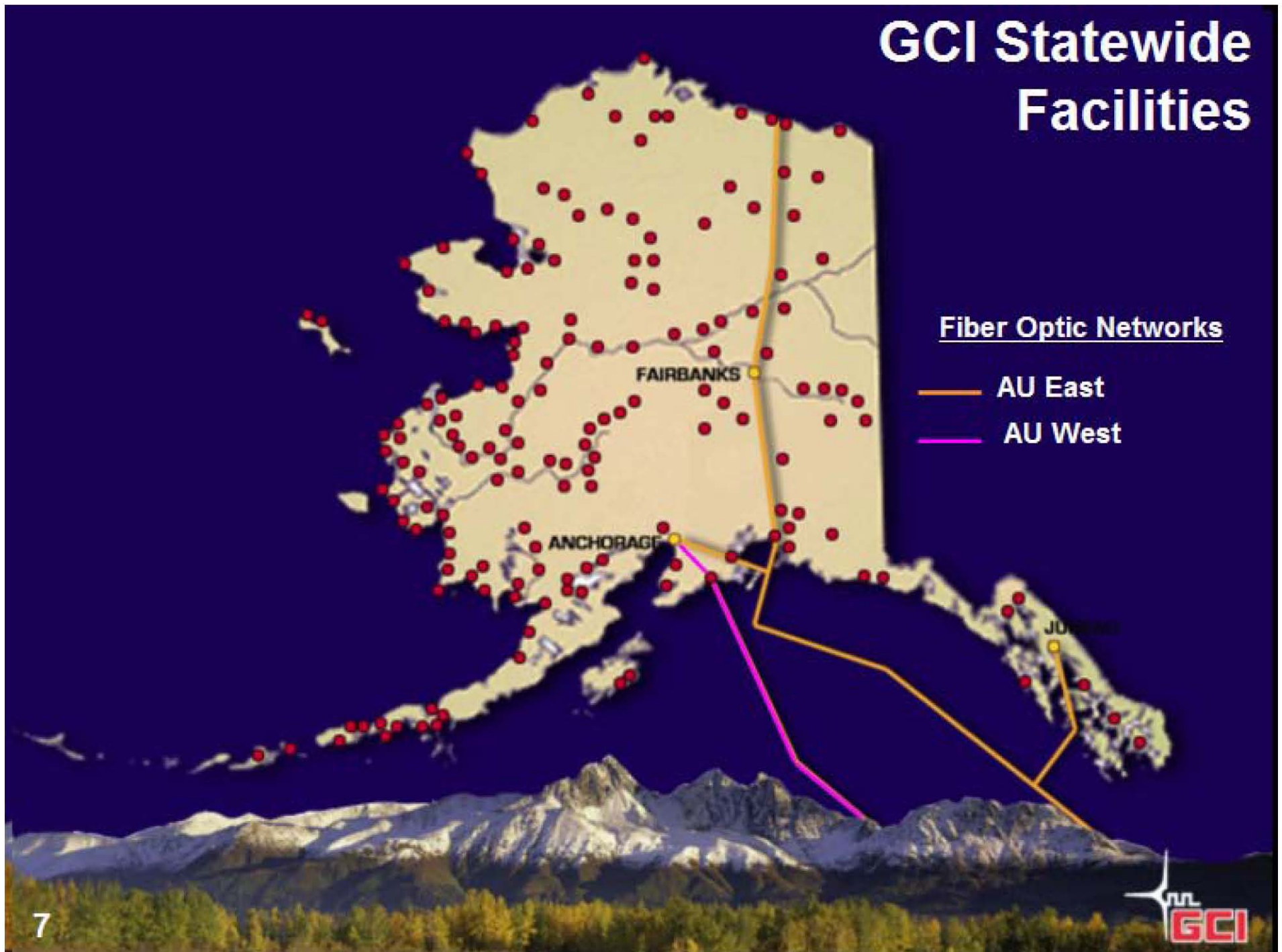
**1,700 Miles
Anchorage to Seattle**



Overlay of Alaska



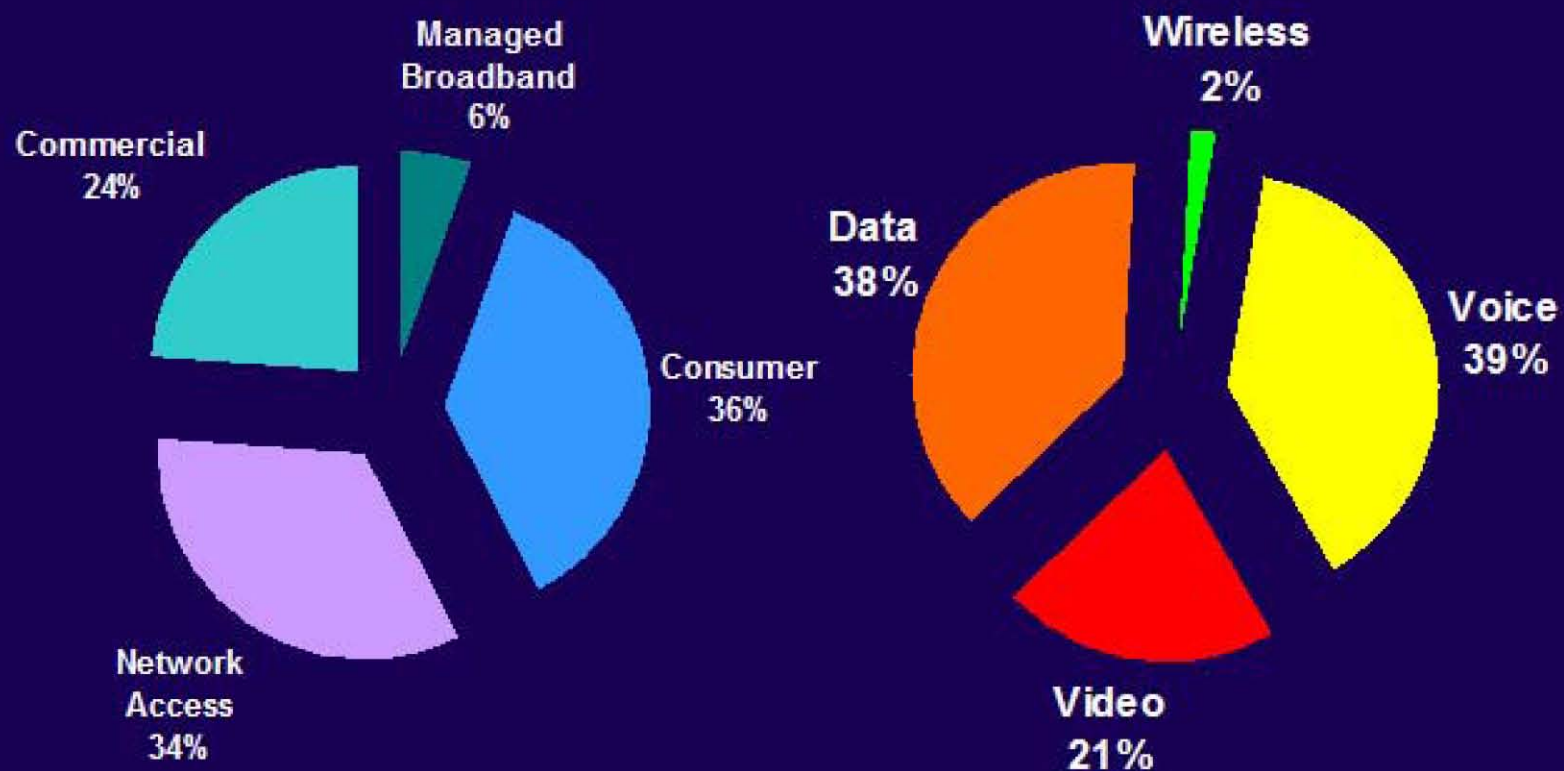
GCI Statewide Facilities



GCI Business Strategy

- ✓ Effectively bundle products to create value for customers and increased revenues and EBITDA for GCI.
- ✓ Cross sell and up sell leveraging off of GCI's substantial existing customer base.
- ✓ Deploy a highly efficient integrated network for the delivery of all voice, data and video services.
- ✓ Focus on depth (market share)

Sources of \$449.3 million LTM Revenues



Bundling Benefits

Bundling Improves Customer Retention

- Multiple product bundles reduce churn

Bundling Drives Revenues

- 20% of calls into Customer Service result in cross sale
- 80% of Internet customers up-sold to cable modems
- Up-sale opportunity

Bundling Reduces Costs

- Reduced customer acquisition costs
- Back office operating cost efficiencies

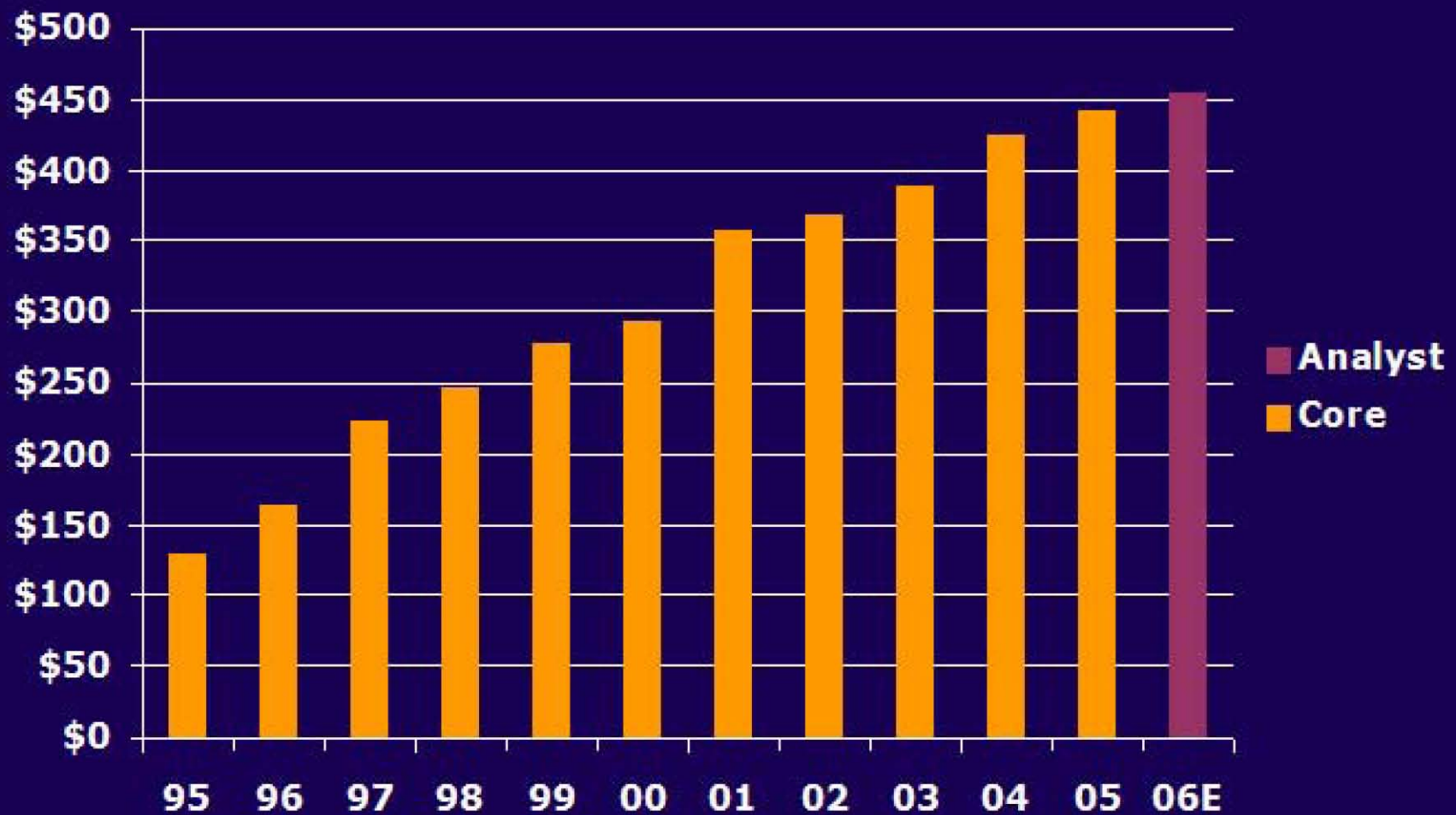
Financial Highlights

Ten years of consistent Revenue and EBITDA Growth

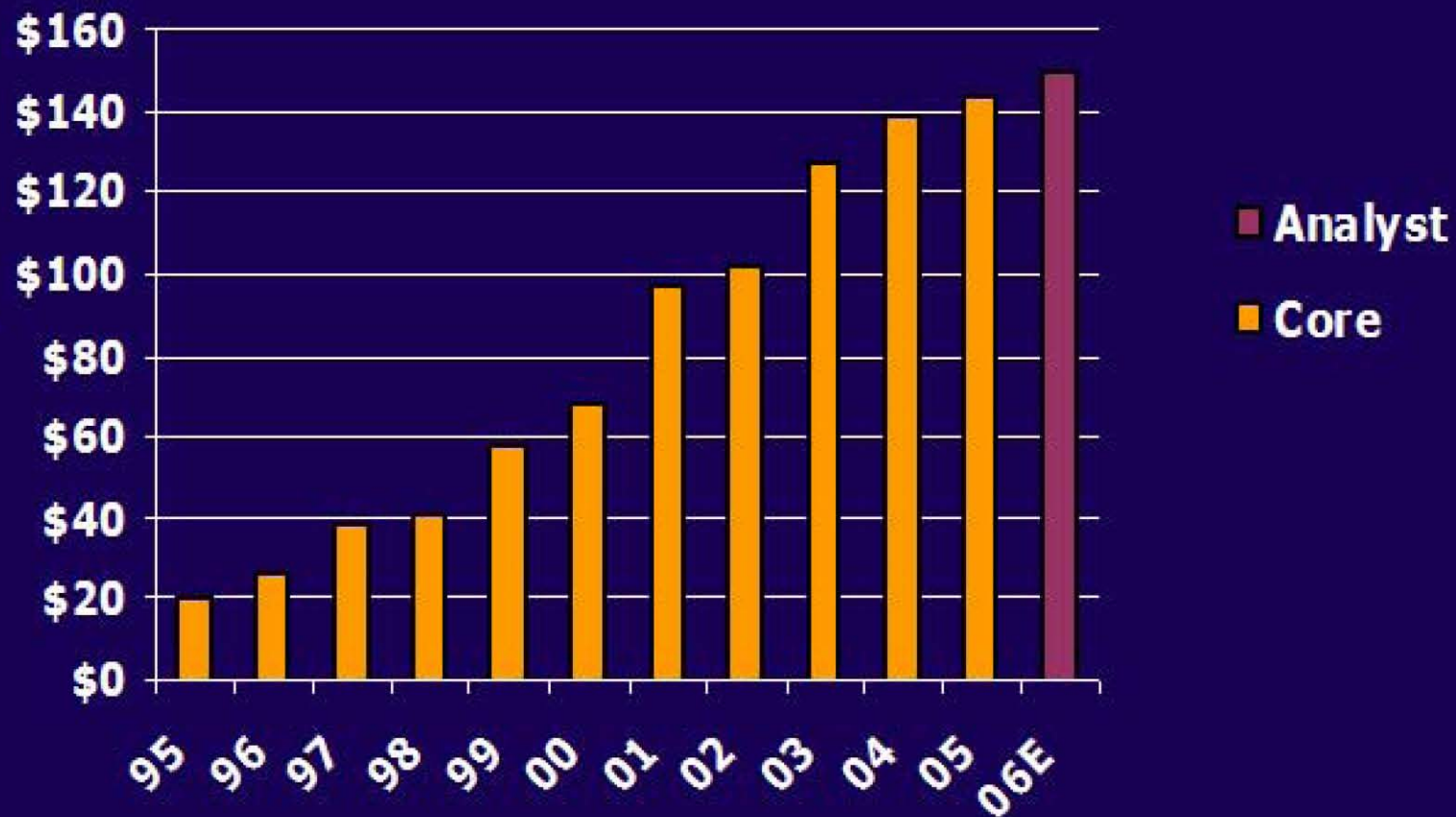
13.2% Compound Annual Revenue Growth Rate

21.8% Compound Annual EBITDA Growth Rate

Revenues (millions)



EBITDA Growth (millions)



Growth Opportunities

Switched Data/Private Line

- Major government and corporate players

Two-way Hybrid Fiber Coax

- Cable telephony
- Cable modems
- HDTV & VOD

Local Service

- Local Share Growth in Fairbanks & Juneau
- Enter two new markets in 2006
- All other Alaska markets in 2007

Wireless

- Dobson
- Alaska Digitel

Debt Structure

3-31-06

	<u>EBITDA Multiple*</u>	
Senior Credit Facility – Revolver	\$ -0-	0.00
Senior Credit Facility – Term Loan A	\$158.8	1.10
Capital Lease Obligations	<u>\$ -0-</u>	<u>0.00</u>
Total Senior Debt	\$158.8	1.10
Bonds	<u>\$320.0</u>	<u>2.22</u>
Total Debt	\$478.8	3.32
Net Debt (Total debt less cash of \$43 M)	\$435.8	3.02

Note: Bonds have a book value of \$316M.

*3-31-06 LTM

Residual Cash Flow

(Thousands)	Actual FY03	Actual FY04	Actual FY05	Est. FY06
Forecast EBITDA	\$124,000	\$134,800	\$141,000	\$152,000
Add: MCI Credit / Claims Settlement	\$2,800	\$4,200	\$11,500	\$ -0-
Less: Core Capital Expenditures	(\$46,000)	(\$80,400)	(\$85,000)	(\$85,000)
Less: Alaska United Fiber Buildout	(\$16,500)	(\$32,200)	(\$-0-)	(\$-0-)
Less: Satellite	(\$-0-)	(\$-0-)	(\$-0-)	(\$-0-)
Less: Preferred Stock Cash Dividends	(\$2,000)	(\$1,600)	(\$200)	(\$0)
Less: Interest Expense	(\$34,200)	(\$27,200)	(\$33,200)	(\$35,000)
Less: Lease/Loan Amortization	(\$11,900)	(\$5,100)	(\$3,000)	(\$-0-)
Change in Debt	\$ -0-	\$96,200	\$3,000	\$ -0-
Less: Cash Taxes Paid	\$0	\$0	\$0	\$0
Subtotal	\$16,200	\$88,700	\$34,600	\$32,000
Equity Repurchase	---	\$44,790	\$23,008	\$10,100
Cash Balance	\$10,400	\$31,500	\$44,400	\$43,000**

*EBITDA forecast based on analyst projections

**Cash Balance as of March 31, 2006

Stock Repurchase Program

- **Current Authorization**
 - Board approved \$5M per quarter net
 - Special \$10 million buyback authorization
 - Up to \$12.9 million authorization through end of second quarter of 2006
- **Through April 30, 2006 GCI repurchased \$77.1 million of common stock equivalents representing more than 8.2 million shares**
- **Continuation/acceleration of buybacks into future years is dependant on:**
 - * **Stock price**
 - * **Capital investment opportunities**
 - * **Company performance**
 - * **Residual cash balances**

EBITDA Multiples/Hypothetical Share Price (Based on Analysts' EBITDA Projections)

Data in thousands of dollars

Hypothetical Share Price	<u>\$10.00</u>	<u>\$11.00</u>	<u>\$12.00</u>	<u>\$13.00</u>	<u>\$14.00</u>
Adjusted Market Capitalization	\$1,001,444	\$1,062,018	\$1,122,592	\$1,183,166	\$1,243,740
2005 EBITDA	\$143,200	\$143,200	\$143,200	\$143,200	\$143,200
Calculated EBITDA Multiple	7.0	7.4	7.8	8.3	8.7
2006 EBITDA ESTIMATE	\$152,000	\$152,000	\$152,000	\$152,000	\$152,000
Calculated EBITDA Multiple	6.6	7.0	7.4	7.8	8.2
2007 EBITDA ESTIMATE	\$162,000	\$162,000	\$162,000	\$162,000	\$162,000
Calculated EBITDA Multiple	6.2	6.6	6.9	7.3	7.7

The preceding contains forward looking statements regarding the company's expected results which are based on management expectations as well as on a number of assumptions concerning future events. Actual results might differ materially from those projected in the forward looking statements due to uncertainties and other factors, many of which are outside GCI's control. Additional information concerning factors that could cause actual results to differ materially from those in the forward looking statements is contained in GCI's cautionary statements sections of Form 10K and 10-Q files with the Securities and Exchange Commission.

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